



Restore Louisiana

Flood Recovery Rental Program Workshops

Agenda

- Welcome/Background
- Neighborhood Landlord Rental Program Overview
 - Question/Answer Session
- Multifamily Restoration Program Overview
 - Question/Answer Session
- Adjourn

Welcome/Background

- Funded through the U.S. Department of Housing and Urban Development (HUD)
 - Community Development Block Grants for disaster recovery
- Developed in response to housing needs faced in the wake of the March and August 2016 flooding events in Louisiana
- Today's workshop: Neighborhood Landlord Rental Program & the Multifamily Restoration Gap Program
 - Permanent Supportive Housing and Rapid Re-Housing program handouts are available at the sign-in table

Neighborhood Landlord Rental Program

Neighborhood Landlord Rental Program Budget and Award Limits

- Budget
 - Total Award Amount Available to All Applicants in Program is **\$36 Million**
- Application & Award Limits
 - Applicants are limited to submitting no more than **3 complete applications** including **up to 7 units each**, for a capped maximum possible award amount of **\$1.5 million**

Maximum Award

Final award will be the lesser of the cost of construction or the maximum amount of assistance per unit outlined in the table below

NUMBER OF UNITS PER BUILDING	MAXIMUM ASSISTANCE
1 Unit	\$150,000.00
2 Units	\$250,000.00
3 Units	\$315,000.00
4 Units	\$375,000.00
5 to 7 Units	\$500,000.00

Eligible Structures

- Must be a structure with 1-7 units
 - Properties with more than 7 units within a single structure are not eligible under this program
- Manufactured homes are eligible for replacement with site-built or modular construction
- All assisted units must have been vacant at the time of the HUD Action Plan approval (February 14, 2017) and must still be vacant at time of application

Eligible Applicants

- State Certified Community Housing Development Organizations;
- State Certified Community Business Development Organization;
- Non-Profit Organized under 501 (c) 3 or 501 (c) 4;
- Public Housing Authority;
- Development Agency of a Unit of Local Government (public or quasi-public);
- For-profit and private landlords organized under Louisiana law

Property Owner Eligibility Requirements

Non-Profit & PHA's

- Are not required to have owned the eligible property prior to flood
- Designated PHA
- Qualify as a quasi-public agency
- Non-profit organization under Section 501 of IRC 1986

Property Owner Eligibility Requirements

For Profit Owners

- Must have owned the property at time of flood
 - March 2016 flood: by or before April 8th
 - August 2016 flood: by or before August 31st

Award Process and Calculation

- Landlord rental award will be provided as a 0% loan in return for **affordable rent**
- Depending on underwriting criteria the loan may be partially or completely **forgivable**
- As part of underwriting process a **duplication of benefits** review will be conducted
 - SBA and NFIP funds received are among DOB items reviewed
- The maximum amount of RLNLRP or “Infill” funding is based on the **number of units** in each building

Award Process and Calculation

- Program will require applicants to secure a **construction loan** with a lending institution
- The applicant may provide a portion or all funds to complete construction
 - **Construction oversight** may be in partnership with the bank and LHC to verify cost reasonableness
- Final award will be the lesser of the **cost of construction** or the **maximum amount of assistance per unit**

Grant Requirements

- Owners rent each assisted unit to a **low-income tenant** for a set amount of time
- The **duration of the affordability period** is based on
 - the size of the loan and
 - the AMI tier selected

Program Timelines

- Notice of Funding Availability (NOFA) May 15
- FAQ's Published June 9
- Application Intake Deadline June 16
- Commitment Letters Issued July 3

Neighborhood Landlord Rental Program

Q&A

Multifamily Restoration Gap Program

Program Overview

- Available Allocation for Program Recipients
 - \$38.25 Million
- Loans (or grant funding in the case of Public Housing) is being made available across certain “pools” to ensure geographic participation and various property type participation
- Goal is to assist in repair and restoration of flood impacted multifamily properties of at least 20 units and to ensure units are brought online to achieve the National Objective to aid in providing units to low-to-moderate income individuals

Eligible Project Types –

20 minimum units for one development

Existing Affordable

- Must be governed by an Existing Affordability Commitment
- Owned by for-profit; non-profit; or Public Housing Authorities*

Existing Non Affordable (i.e. New Affordable)

- Must not be governed by an existing affordability commitment as of the date the Action Plan was approved (February 14, 2017)
- Must enter into an affordability commitment

**PHA's eligible to apply under the terms and conditions of the program, however PHA's will receive funds in the form of a grant rather than a loan*

Funding Rounds

- Initial Funding Round
 - Complete applications will compete against each other for funding. Awards will be made in decreasing order of point score
- Second Funding Round
 - If any funding remains after awards have been made to Initial Funding Round projects, the LHC may announce a Second Funding Round, or may transfer remaining funding to other programs, at its sole discretion. If the LHC announces and undertakes a Second Funding Round, complete applications received no later than the published due date for Second Round Applications will compete for funding against each other

How Properties Break Out by Pool

Pool A - \$24 Million

- Existing Affordable projects
- Not owned by a PHA
- 10 most impacted parishes

Pool B - \$6 Million

- Existing Affordable projects
- Owned by PHA
- Located in one of the 51 FEMA Disaster Declared parishes

Pools C and D

Pool C - \$4 Million

- Existing Affordable Housing
- Not owned by a PHA
- Located in one of the 51 FEMA Disaster Declared parishes

Pool D - \$4.25 Million

- Existing Non-Affordable
- Not owned by a PHA
- Located in one of the 51 FEMA Disaster Declared parishes

Multifamily Restoration Gap Program

Pool E (General Pool):

- Any remaining unawarded funds from Pool A through D could be made available to the highest scoring remaining applicants
- Any funding remaining after initial funding rounds could be transferred into a second funding round or may be reallocated by the LHC to other programs

Funding Threshold Requirements

- Notwithstanding anything in this Program Description (including the allocation to pools, and scoring) the LHC is obligated to ensure that **80% of funds** are provided to recipients within the HUD 10 Most Impacted and Distressed Parishes:

Acadia, Ascension, East Baton Rouge, Lafayette, Livingston, Ouachita, St. Tammany, Tangipahoa, Vermilion, Washington

Funding Threshold Requirements

- The LHC therefore reserves the right to **prioritize awards** as needed to ensure this outcome
- If the highest scoring applications within the pools do not automatically ensure that 80% of the funds are delivered to the Most Impacted Parishes as required, the LHC will award to the lower scoring applications from the Most Impacted Parishes, until the threshold requirement is met

Loan Term

Existing Affordable Housing Development

- Term will be equal to the greater of
 - (a) Remaining term on existing 1st mortgage or
 - (b) Ten years

Existing Non-Affordable Housing Development

- The loan will have a 20-year 1st mortgage term which will run in aggregate of the affordability commitment

Maximum Amount of Loan/Grant

- Existing Affordable Housing
 - Award is the lesser of
 - a) CDBG funds required after application of non-CDBG funds to eligible costs or
 - b) \$40,000 per damaged unit
 - Permitted reimbursable costs will be costs to rehab and restore flood impacted units, and certain third-party costs
- Existing Non-Affordable Housing
 - Award is the lesser of
 - a) CDBG funds required after application of non-CDBG funds to Eligible costs or
 - b) \$65,000 per residential rental units

Key Requirements for Eligible Project Types

- Property must be at least **20 units** minimum in size
- Property must be located in one of the **51 parishes** impacted by the March and/or August 2016 flooding
- Property must have been **directly impacted** by the flooding with a documented loss of rentable apartments. *Priority will be given to the properties located within the 10 most impacted declared parishes*
- Property must have an **existing affordability commitment**, or accept the Restoration Loan Affordability Commitment

Key Requirements for Eligible Project Types

- Property must have carried **flood insurance** if it was located in a Special Flood Hazard Area at the time of flooding
- Property must have an **eligible unmet need**, after deducting all duplicative assistance such as SBA loans, NFIP proceeds, etc.
- A **Physical Condition Assessment** must be submitted with each application
- Repairs to flood impacted units may be either underway, not yet started or completed

Program Timelines

- Notice of Funding Availability (NOFA) May 15
- Deadline for Questions May 31
- FAQ's Published June 6
- Application Intake Deadline June 15
- Awards Announced June 23

Multifamily Gap Restoration Program

Q&A



Thank you for your interest!

disasterrecovery@lhc.la.gov